



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

August 3, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
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BOARD MOTION RESPONSES: REPORT ON IN-HOME SUPPORTIVE SERVICES ANTI-FRAUD PLAN BECAUSE OF STATE TRIGGER CUTS AND QUARTERLY REPORT ON IN-HOME SUPPORTIVE SERVICES ANTI-FRAUD PLAN

This is in response to the June 26, 2012 Board Motion, introduced by Supervisor Antonovich, directing the Chief Executive Officer (CEO) and the Director of the Department of Public Social Services (DPSS) to report back in 30 days on the current In-Home Supportive Services (IHSS) anti-fraud staffing level with recommendations on ways the Department can leverage its resources to combat fraud and enhance its anti-fraud investigative methods to capture potential kick-backs by the providers.

In addition, this is the seventh and final quarterly report relative to In-Home Supportive Services (IHSS) anti-fraud strategies and related program integrity efforts, in response to the November 24, 2009 Board Motion introduced by Supervisor Ridley-Thomas.

Current IHSS Staffing Levels

- **Welfare Fraud Investigators:** A unit of five Welfare Fraud Investigators (WFI) and one Supervising WFI continues to partner with the California Department of Health Care Services in the investigation of IHSS fraud allegations.
- **IHSS Quality Assurance Staff:** The current IHSS Quality Assurance (QA) unit, composed of one Social Services Supervisor and six Social Workers continues to conduct IHSS case reviews consistent with the Department's IHSS Annual Plan. In addition to other IHSS targeted reviews, during the period of January 2012

through June 2012, IHSS QA staff conducted 825 desk reviews and completed 121 home visits in support of program integrity and fraud detection. Any identified inconsistencies in case information are referred to the case-carrying Social Worker to assess the need for a fraud referral and/or corrective action. As appropriate, the case-carrying Social Worker initiates the fraud referral. Since the last report to the Board, the Department did not receive any additional overpayment collections from IHSS providers for terminated cases resulting from the FY 2010-11 Hospital Stay Error Rate Study conducted by the IHSS QA Anti-Fraud Unit.

Leveraging Resources to Combat Fraud

- **IHSS Data Mining:** The Data Mining Solutions Amendment Number Two was approved by the Board on May 15, 2012, for expansion of the Data Mining technology to the IHSS Program. The kick-off meeting for this effort was held on June 6, 2012. DPSS, CEO, District Attorney and SAS (the data mining vendor) are working together to develop an anti-fraud data mining model for IHSS that will make the best use of the Department's reduced IHSS anti-fraud staffing. This effort includes evaluating the need for an IHSS Triage Team to handle high profile IHSS alerts, similar to what is being done in the child care data mining model. Implementation is targeted for April 2013.
- **Automated System to Track All IHSS Investigations:** IHSS fraud referrals are being tracked on the LEADER System. DPSS is in the process of expanding the tracking system to capture IHSS overpayments detail. Although we indicated in our last quarterly report that the target completion date was May 2012, due to other LEADER priorities, this change request has been delayed until December 2012.
- **LexisNexis:** In February 2012, DPSS began using LexisNexis "Accurint for Law Enforcement Plus" technology in its investigative methods. This system utilizes cutting edge investigative technology and provides a new way to access crucial information, visualize complex relationships and rapidly identify potential investigative leads. The use of this service provides welfare fraud investigative staff with instant access to IHSS consumers and providers, undeclared businesses, employment, properties, and allows for quick verification of identities and other information, such as names, addresses, social security numbers, and federal tax identification numbers. The technology is used for all investigative activity including IHSS.

Funding

- **Current IHSS Anti-Fraud Funding:** Although the IHSS Anti-Fraud State funding was eliminated as part of the trigger cuts for FY 2011-12, DPSS received approval from the California Department of Social Services in February 2012 to extend the IHSS Anti-Fraud Plan through FY 2011-12 and to administratively claim Medi-Cal Federal Financial Participation for allowable IHSS anti-fraud expenditures retroactive to July 1, 2011. As a result, funding was reduced from \$10.4 million to \$3.1 million. Effective July 1, 2012, the Department is absorbing the cost of data mining as an allocable cost and covering the costs of the welfare fraud staff still dedicated to the IHSS anti-fraud effort with regular IHSS administration funding.
- **District Attorney Activities:** Due to lack of funding, the DA's office discontinued their participation as specified in the IHSS Anti-Fraud Plan effective January 1, 2012. However, the DA continues to prosecute IHSS fraud cases filed with their office as a part of their Central Complaint Division.

Fraud Referrals/Outcomes: The attached chart depicts the total number of IHSS fraud referrals and their outcomes for 2010-11 and the first half of 2012.

Please let me know if you need additional information.

WTF:AJ:DS
JAB:ljp

Attachment

c: Executive Office, Board of Supervisors
County Counsel
District Attorney
Public Social Services

FRAUD REFERRALS/OUTCOMES*	2010	2011	2012
Total number of fraud referrals	592	496	88*
Number of convictions	61	72	16
Amount of funds involved in the convictions	\$1,114,814	\$733,874	\$74,670
Amount of funds recovered**	\$ 120,126	\$243,989	\$49,397

*Reduced fraud referrals are due to elimination of FEVR staff in November 2011 due to elimination of State funding.

**Includes funds recovered for convictions from current and prior years. There is no estimate on cost avoidance due to case terminations.

FEVR/QA OUTCOMES*	2010	2011	2012
Cases reviewed	3,000	1,962	825*
Overpayments Identified*	\$561,000	\$496,195	N/A
Amount Repaid/Agreed to Repay**	\$264,000	\$ 2,142	N/A

*Reduced case reviews are due to six months of data and elimination of one IHSS QA unit due to elimination of State funding.

**Overpayments Identified and Amount Repaid/Agreed to Repay were reported by the FEVR units during 2010-11. We will no longer report FEVR outcomes for 2012, since the FEVR units were disbanded effective November 2011.